

**OTHER NON-PENSION FUNDS**  
**INVESTMENT PERFORMANCE REPORT AS OF DECEMBER 31, 2006**

	December-06							September-06					Current FYTD		Prior Year FY06		3 Years Ended	5 Years Ended
	Allocation		Quarter		Month		Allocation		Quarter		Returns		Returns		6/30/2006 Net	6/30/2006 Net		
	Market Value	Actual	Policy	Gross	Net	Gross	Net	Market Value	Actual	Policy	Gross	Net	Gross	Net			Gross	Net
PERS RETIREE HEALTH CREDIT FUND																		
Large Cap Domestic Equity																		
State Street Enhanced Equity Plus (1)	14,762,188	35.1%	35.0%	8.06%	8.00%	2.52%	2.50%	13,757,900	35.1%	35.0%	5.89%	5.83%	14.42%	14.30%	8.65%	8.43%	11.01%	2.28%
S&P 500				6.70%	6.70%	1.40%	1.40%				5.67%	5.67%	12.74%	12.74%	8.63%	8.63%	11.22%	2.49%
Small Cap Domestic Equity																		
State Street Small Cap Index Plus (2)	6,283,975	14.9%	15.0%	10.53%	10.48%	1.06%	1.04%	5,848,216	14.9%	15.0%	-0.02%	-0.07%	10.52%	10.40%	13.99%	13.75%	18.35%	7.79%
Russell Special Small Cap Index				10.07%	10.07%	0.02%	0.02%				0.01%	0.01%	10.09%	10.09%	13.93%	13.93%	18.54%	7.88%
TOTAL DOMESTIC EQUITY	21,046,163	50.0%	50.0%	8.79%	8.74%	2.07%	2.05%	19,606,116	50.1%	50.0%	4.10%	4.04%	13.25%	13.14%	10.26%	10.03%	13.21%	4.32%
Russell 3000				7.12%	7.12%	1.20%	1.20%				4.64%	4.64%	12.09%	12.09%	9.56%	9.56%	12.10%	3.27%
International Equity																		
State Street International Alpha (3)	6,352,399	15.1%	15.0%	11.48%	11.42%	3.52%	3.50%	5,922,700	15.1%	15.0%	3.37%	3.32%	15.24%	15.12%	26.57%	26.31%	23.72%	9.78%
MSCI EAFE				10.35%	10.35%	3.14%	3.14%				3.93%	3.93%	14.69%	14.69%	26.67%	26.67%	23.98%	10.04%
Domestic Fixed Income																		
State Street Bond Market Common Trust	14,673,159	34.9%	35.0%	1.33%	1.28%	-0.49%	-0.51%	13,625,860	34.8%	35.0%	3.83%	3.77%	5.21%	5.10%	-0.68%	-0.89%	1.98%	4.81%
Lehman Aggregate				1.24%	1.24%	-0.58%	-0.58%				3.81%	3.81%	5.09%	5.09%	-0.81%	-0.81%	2.05%	4.97%
Cash																		
Northern Trust STIF	20,565	0.0%	0.0%	1.26%	1.26%	0.44%	0.44%	10,240	0.0%	0.0%	1.33%	1.33%	2.60%	2.60%	4.00%	4.00%	2.37%	2.26%
90 Day T-Bills				1.26%	1.26%	0.44%	0.44%				1.33%	1.33%	2.60%	2.60%	4.00%	4.00%	2.37%	2.25%
TOTAL PERS RETIREE HEALTH	42,092,286	100.0%	100.0%	6.57%	6.51%	1.42%	1.40%	39,164,916	100.0%	100.0%	3.88%	3.83%	10.71%	10.59%	8.70%	8.47%	10.77%	5.44%
POLICY TARGET BENCHMARK				5.81%	5.81%	0.76%	0.76%				3.91%	3.91%	9.94%	9.94%	8.63%	8.63%	10.94%	5.63%
PERS GROUP INSURANCE																		
Cash Equivalents																		
Bank of ND	3,829,247	100.0%	100.0%	1.32%	1.32%	0.44%	0.44%	2,029,019	100.0%	100.0%	1.35%	1.35%	2.68%	2.68%	4.50%	4.50%	2.71%	2.42%
90 Day T-Bill				1.26%	1.26%	0.44%	0.44%				1.33%	1.33%	2.60%	2.60%	4.00%	4.00%	2.37%	2.25%
VETERANS CEMETARY TRUST FUND																		
Cash Equivalents																		
Bank of ND	116,513	100.0%	100.0%	1.32%	1.32%	0.44%	0.44%	107,319	100.0%	100.0%	1.35%	1.35%	2.68%	2.68%	4.50%	4.50%	2.71%	2.42%
90 Day T-Bill				1.26%	1.26%	0.44%	0.44%				1.33%	1.33%	2.60%	2.60%	4.00%	4.00%	2.37%	2.25%

**NOTE: Monthly returns and market values are preliminary and subject to change.**

(1) Prior to August 31, 2006, invested in S&P 500 Index Fund.

(2) Prior to August 31, 2006, invested in Russell Small Cap Completeness Fund.

(3) Prior to August 31, 2006, invested in EAFE Index Fund.